

FISCAL NOTE

SB 1787 - HB 1714

March 28, 2005

SUMMARY OF BILL: Creates the "Tennessee Homeowners' Protection Act of 2005", which establishes limits on maximum interest rates on home loans, restrictions on high-cost home loans and other prohibitions on home loans; authorizes the Attorney General and the Commissioner of Financial Institutions to enforce the Act through civil actions and authorizes the Commissioner of the Department of Commerce and Insurance to enforce prohibitions on requiring advance collection of credit insurance premiums or fees; creates a Class A and Class B misdemeanor for violations.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$100,000

Increase Local Govt. Expenditures – Not Significant

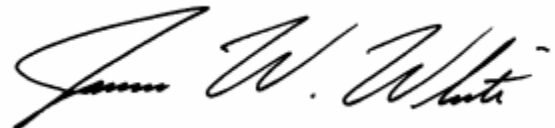
Increase Local Govt. Revenues – Not Significant

Assumptions:

- The Department of Financial Institutions would have to identify and screen high cost loan counselors, develop a licensing and certification program, and review lenders to determine compliance.
- There will not be a sufficient number of prosecutions for local governments to experience any significant increase in revenues or expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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